

TEACHERS  
AT WORK

UNITE TO SHAPE THE NATION

Shaping the Nation with  
Quality Public Education



# Finance Management in SADTU

Presented by  
Cde Lindiwe Motshwane





# OVERVIEW:

Finance requirements for the Union covers the following :

- basic understanding of bookkeeping.
- roles and responsibilities as mandated by members.
- the finance manual and other finance policies of the Union.
- review and monitor the accounting function of the SADTU office.
- prepare for a statutory audit effectively.





# INTERNAL CONTROL SYSTEMS

## DEFINITION

- An internal control system is a process designed and effected by those in charge with governance (e.g. SSC, REC, PEC, NEC).
- An updated audit file.
- Monthly Cash Book.
- Adherence to the SADTU Finance Manual.
- Correct use and application of the relevant finance policies of the organisation. E.g. Procurement, Accommodation, Vehicle, etc.
- Clause 16 of the SADTU Constitution.
- Periodic reporting as per the Constitutional dictates.





## DUTIES OF MANAGEMENT AND PERSONNEL

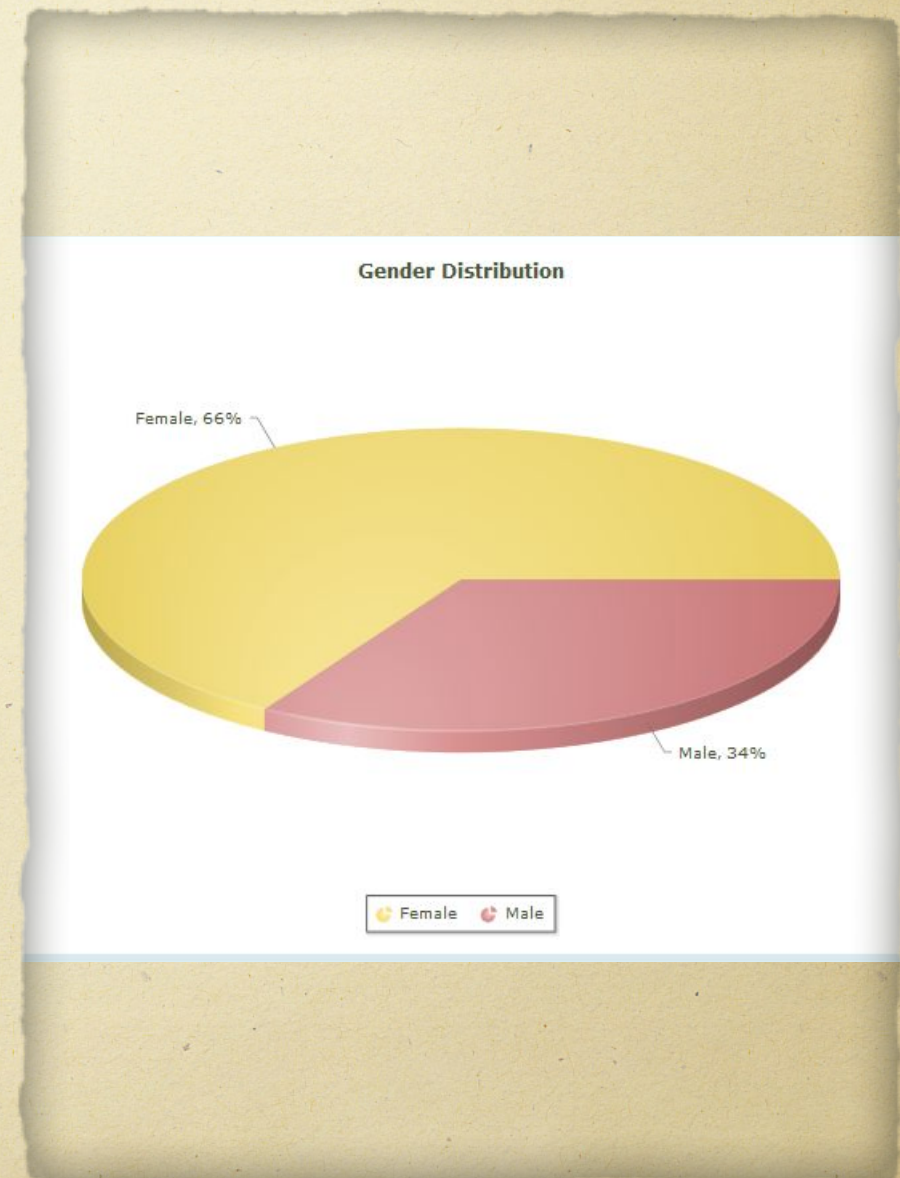
- Ensure the achievement of the Union's objectives with regard to the reliability of financial reporting.
- The effectiveness of operations.
- Compliance with applicable laws, regulations and SADTU Constitution
- The safeguarding of assets.





# FINANCE COMMITTEE (FINCOM)

- ❖ Treasurer, who shall serve as convener;
- ❖ Two members of the Executive Committee ;
- ❖ Two elected Treasurers;
- ❖ Secretary and/or Deputy Secretary;
- ❖ Accountant;
- ❖ Administrator;
- ❖ the President/Chairperson as an ex-officio member; and
- ❖ the Committee shall have powers to co-opt other persons for specific purposes

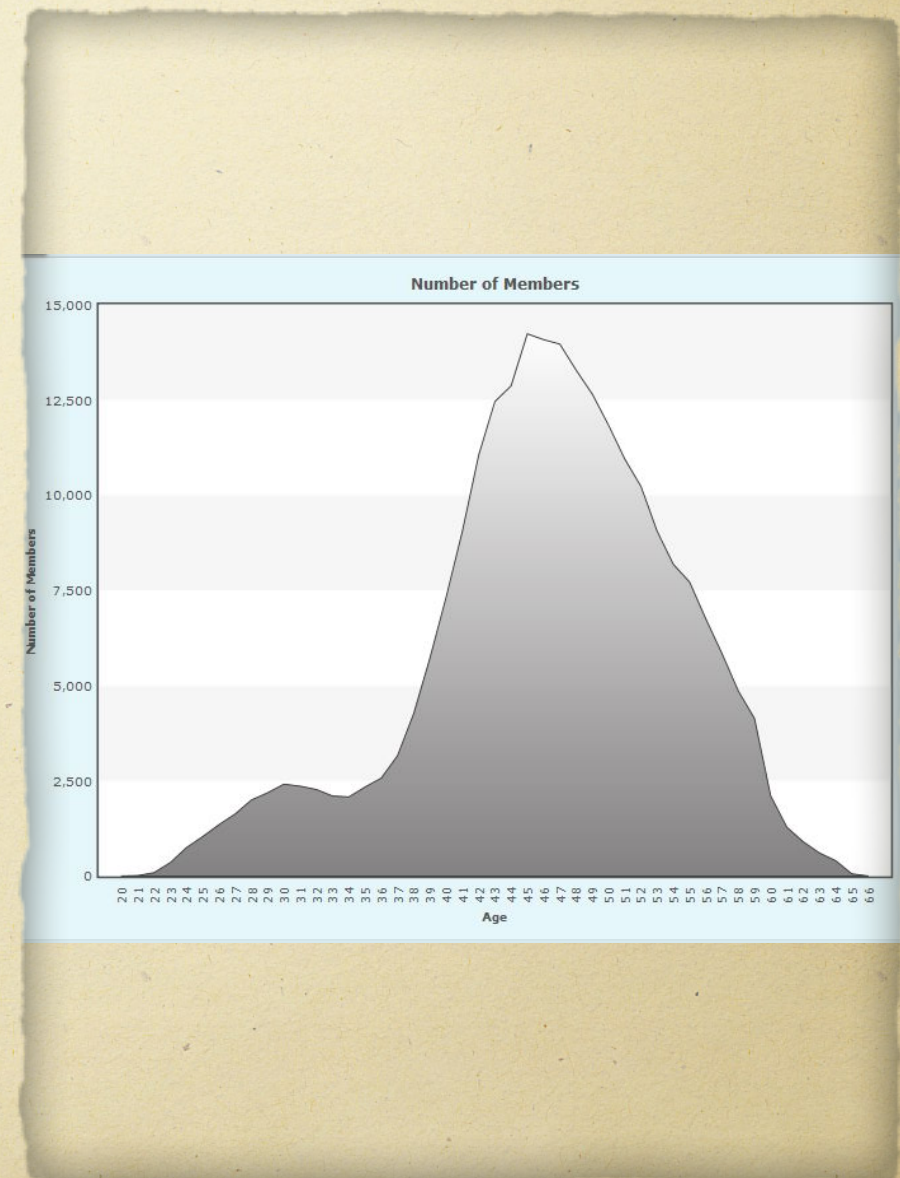




# ACCOUNTABILITY

As a standing committee of the National Executive Committee, the Finance Committee:

- Is under the direct authority of the NEC.
- Should submit a report on its activities to each ordinary meeting of the NEC for adjudication and ratification.
- Should ensure that financial statements and management reports are tabled at each ordinary meeting of the NEC.





## DUTIES AND POWERS

The FINCOM shall have the following duties and powers as a standing committee of the NEC:

- To meet at least once every quarter;
- To formulate financial policies and procedures to implement these policies;
- To prepare and review budgets subject to ratification by the NEC;
- To review financial statements and ensure that financial policies and procedures are adhered to;
- To discuss the audited financial statements and management report by the Auditors;
- To approve the acquisition of capital expenditure items within the budget.





# Treasurer

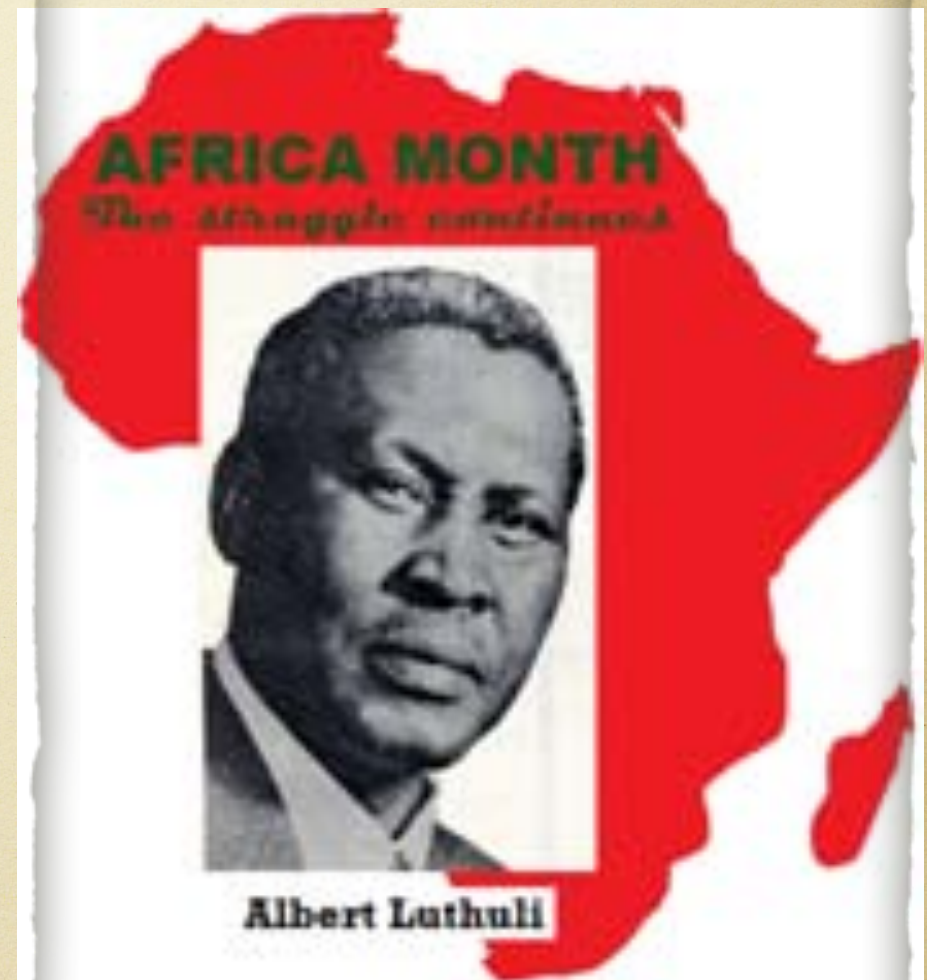
- Shall be responsible for the supervision of all the financial affairs of the Union in terms of the Financial Policy.
- Shall monitor, check and critically review the finances to ensure that assets, liabilities, income and expenditure are properly accounted for.
- Shall ensure that meetings of the FINCOM are held regularly and to preside at such meetings.
- Shall report on the state of finances at all constitutional meetings, i.e. SSC, REC, PWC, PEC, PGC and Provincial Conference.





# Secretary

- Shall jointly be responsible with the Treasurer for the supervision of all the financial affairs of the Union in terms of the Financial Policy.
- Shall assist with the accurate compilation of membership records for the purpose of monthly allocations to Provinces, Regions and Branches.
- Shall ensure that payments of accounts and claims are made by cheque/EFT to which they shall be signatories after checking such payments against the necessary supporting documentation.

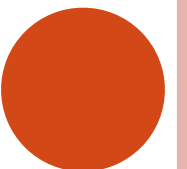




# CASH BOOK

- The cash book is divided into two columns viz

Receipt Journal	Payment Journal
<i>All monies received in the form of cash, cheques, postal orders or any form must be recorded in the cash book preferable on daily basis.</i>	<i>Documentation concerning purchase of goods, claim forms must be authorized.</i>





## CASH BOOK CONT...

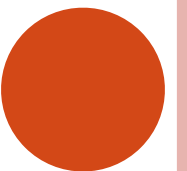
Direct bank deposit should be verified with relevant institution so that classification of income can be easy

A cheque requisition form shall be prepared for all payments with supporting documents attached to it.

***Cash receipt should be reviewed and signed by relevant person.***

***The cheque requisition must be authorized by the relevant person (treasurer), then cheque is issued.***

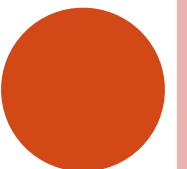
***All payments made in the form of cash, cheque, electronic transfers, debit orders etc must be recorded in the cashbook (cash payment journal)***





# CASH RECEIPT JOURNAL FOR THE MONTH JANUARY 2015

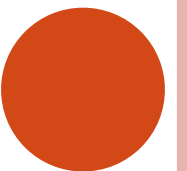
Date	Ref	Details	Bank	Allocations	Donation	Subsidy	Interest
1	001	Province	1000.00	1000.00			
10	002	Safrican	7000.00		7000.00		





# CASH PAYMENT JOURNAL FOR THE MONTH JANUARY 2015

Date	Ref	Payee	Bank	Travelling	Catering	Rental	Bank charges
1	001	Sibisi S	750.00	750.00			
8	002	Cancelled					
15	003	OF Properties	500.00			500.00	





# Bank Reconciliation

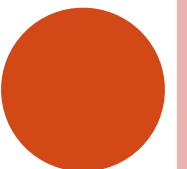
- A bank reconciliation shall be prepared for all accounts on a monthly basis (reconciling the balances per bank statements to the cash book)
- Cheques not reflecting on the bank statement should be recorded on the reconciliation. Should they remain outstanding for six months, they should be written back





# BANK RECONCILIATION STATEMENT AS AT 31 JANUARY 2015

	DR	CR
<i>Balance per bank statement</i>		
<i>Add outstanding deposits</i>		
<i>Less outstanding payments/ cheques</i>		
<i>Balance per cash book</i>		





# Budget...

## A budget in simple terms

- Formal written plan
- Covering projected activities
- Defined period
- Monetary terms





# Fixed Assets

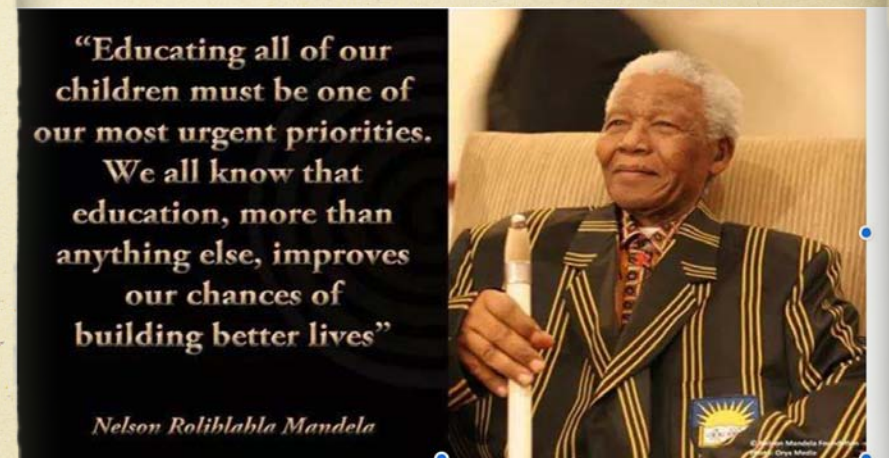
- The Finance Manual Section 8.2 specifically mentions that the Finance Committee (FINCOM) shall authorize the requests for the purchase of capital items bought at competitive prices.





# Procedure for paying claims

- A claim form is received from the claimant.
- The administrator or finance clerk checks the accuracy of the claim and attaches his/her signature.
- The secretary approves the claim by attaching his/her signature.
- The treasurer authorizes the claim by attaching his/her signature.





# Cheque Requisition

- The requisition is prepared by the administrator, attaching all the supporting documents thereof (i.e. claim for with petrol vouchers, toll gate vouchers and other vouchers).
- The treasurer authorizes the requisition and the cheque is signed and given to the claimant.
- In case of communal claims a SUMMARY OF CLAIM FORM is filled and claimants sign once their cash is received





# Audit

- The auditing of the finances of the Union shall be performed annually by a registered public accountant and auditor, appointed by the NEC.
- The Union may also commission an audit of specific activities and projects when necessary.
- The purpose of the audits shall be to obtain reasonable assurance that in all material respects, fair presentation is achieved in the financial statements





Ngiyabonga



Ndza  
khensa